AFFIRMATIVE MARKET PROGRAM PLAN

Components of A Bidders AMP Plan

While agencies have flexibility in determining what to request and require in an Affirmative Market Program Plan, it is the <u>agency's responsibility</u> to develop an approach that will result in each agency meeting its annual AMP benchmarks. When drafting the AMP Plan agencies should determine, based on the scope of the contract and "best value" practices, the components of the AMP plan that will be required in a bidder's response, keeping in mind that building M/WBE capacity within all industries will allow for a larger pool of qualified bidders in the future.

AMP Plan Options

Agencies have the flexibility to select all or some of the following components for inclusion in the required AMP Plan:

- 1.) Projected benchmark (s) or commitment (s) to future expenditures during the life of the contract with M/WBE(s) through <u>Subcontracting</u>. Responses must include expenditure commitments and copies of subcontracting agreements, MOUs (Memo of Understanding) or otherwise binding commitments between the bidder and M/WBE firms.
- 2.) Projected benchmark (s) or commitment (s) to future expenditures during the life of the contract with M/WBE(s) through <u>Growth and Development</u>. Responses must include commitments for expenses for education, training, mentoring, resource sharing, joint activities, and assistance in attaining SOMWBA certification and other creative initiatives.
- 3.) Projected benchmark (s) or commitment (s) to future expenditures during the life of the contract with M/WBE(s) through <u>Ancillary Uses of M/WBE firm(s)</u>. Responses must include expenditure commitments from the bidder for use of M/WBE firm(s) with or without the use of written commitments between the bidder and M/WBE firm(s). Description of the ancillary uses of M/WBEs must be in the AMP Plan Form.
- 4.) Request information on a bidder's past performance (in the last 2 years) and expenditures with certified M/WBEs.
- 5) In addition, agencies are encouraged to include additional incentives for bidders to commit to at least one SOMWBA certified MBE and at least one SOMWBA certified WBE in each AMP Plan submitted. A description of bidder capacity or use of these M/WBEs should be included in the AMP plan.

ADDITIONAL GUIDANCE

To assist agencies in establishing reasonable and realistic AMP benchmarks in each contract, the following formula may be helpful. It is at the discretion of the contract manager to decide which methodology best meets his/her needs according to their specific RFR.

Prior Two Year Average M/WBE Expenditures (If Applicable)

Projected Additional
Expenditures
With M/WBE
(For Each Year of the
Contract)

M/WBE
Benchmark
(For Each Year of the Contract)

- When both MBEs and WBEs are included in a bidder's AMP response, a separate benchmark should be submitted for each in order to track M/WBE usage and spending separately.
- Benchmarks are expected to increase yearly when factors allow.

- For Bidders that have not previously done business with SOMWBA certified Minority and Women-Owned Businesses, (M/WBEs), benchmarks should be negotiated based on vendor pool availability of certified M/WBEs, the total contract amount, M/WBE availability, geographic location of the project, scope of contractual work or other relevant factors.
- Bidders should be encouraged to research available SOMWBA certified M/WBE vendor pools.
- The Contract Manager or Affirmative Market Coordinator will set timelines for progress reviews for the purpose of compliance and tracking of contractor's benchmark either quarterly or mid-year. Reports from contractors will be required to show gross revenues on the contract and expenditures with certified M/WBE firms to verify progress in meeting the benchmarks. Benchmarks will be evaluated every year at the anniversary date or at the time of contract renewal.

Sample Affirmative Market Program Plan Form

OSD has developed the attached sample Affirmative Market Program Plan form that must be used by agencies when issuing RFRs over \$50,000. Use of this specific form is not required; agencies have the flexibility to develop their own forms to capture and evaluate the AMP plans submitted by bidders. If alternative forms are developed, the following information should, at a minimum, be requested:

- A separate AMP Plan Form to be submitted with each bidder's response (one copy for each MBE/WBE) to document the requirements and assist in the evaluation.
- Names, addresses, phone numbers, fax numbers, email addresses, and contact persons of SOMWBA certified M/WBE firms proposed within each AMP Plan.
- A description of each business relationship to be established and how the proposed relationship(s) will result in
 increased participation of SOMWBA certified M/WBEs in the delivery of commodities and services to the
 Commonwealth.
- The actual dollar amounts (benchmarks) or percentage of total funds, to be spent with each SOMWBA certified MBE and/or WBE firm in each twelve-month period related to the contract (if the contract extends over 1 or more years). The contract manager, PMT or AMP Coordinator can request a bidder to submit a benchmark committing to an actual dollar amount or percentage of total funds.
- The actual dollar amounts spent with each MBE and/or WBE firm in the last 2 years (if applicable).
- A copy of the current SOMWBA certification letter or verification of the application that was submitted to SOMWBA for each MBE or WBE firm.

AFFIRMATIVE MARKET PROGRAM (AMP) FORM

Affirmative Market Program Commonwealth of Massachusetts

Pursuant to Executive Order 390, any contract with a potential financial benefit of \$50,000 or more requires a bidder to complete applicable sections of this form and include the required attachments for consideration in the scoring of their submission for any contracting opportunity with the Commonwealth of Massachusetts.

Bidder Name:				
RFR Name/Title:				
Contact Name:			_	
Phone: ()			-	
Fax: ()			-	
Email address:				
Company Address: Is Bidder SOMWBA Certified?	Yes 🗆	No 🗆		
Bidders must submit one fo	orm for each M	1/WBE Business Re	lationship	
The bidder's business relationship Please Check (Only One Per Form SOMWBA Certification Expiration	n): MBE	WBE _ OMWBA certificate mus	_M/WBE M/W No st be attached):	n Profit
Check type of business relationshi as part of the AMP Plan submitted		encies may consider requ	iring all or some of the follo	wing components
1. Subcontract: verificati 2. Growth & Developme 3. Ancillary: verbal or wi 4. Past Performance: past 5. Additional Creative In	nt: plan for educati ritten expenditure of t expenditures with	ion, training, mentoring, commitments a certified M/WBEs for p	revious 2 years.	itives.
1. Please complete this Sect Committed Expenditures: Year Benchmark: Year 2: \$				_
Note: All expenditures for Subcon Description of commodities or ser):
2. Please complete this sect	ion if the busin	ness relationship is <u>(</u>	Growth & Developmen	<u>ıt</u> :
Please provide a narrative here that or measurable outcomes and anticipages as necessary):	ipated dates of con	npletion which can be va	lidated during the contract. (Attach additional
3. Please complete this sect	ion if the busin	ness relationship is A	Ancillary:	
Committed Expenditures: Year 2 Benchmark: Year 2: \$ Total \$ for all year	1: \$Year 3: \$ears with a writter	Year 4: \$ n contract.	Year 5: \$	

Total \$	for all years with a verbal agreement.
Description of com	modities or services M/WBE will provide (continue on additional pages as necessary):
-	ete this section for consideration relating to <u>Past Performance</u> (or spending with ty- or women-owned businesses):
Expenditures for the Description of these	he past 2 years: \$ in Year 200; \$ in Year 200 expenditures for commodities or services (continue on additional pages as necessary):
5. Please comple	ete this section for consideration relating to any <u>Additional Incentives</u> :
	scription of any creative approaches to partnering with certified businesses (continue on additional
Certification: 11 my knowledge:	nereby certify under the pains and penalty of perjury that the information above is correct, to the best of
(Signature of Auth	orized Signatory of Bidder)
(Print Name)	
(Title)	
(Business Name)	
(Date)	

EVALUATION of the AMP PLAN

An Agency's evaluation of the AMP Plan should be based primarily on how well it demonstrates the development and strengthening of Minority and Women Business Enterprises (M/WBEs) within the service area defined by the RFR. Participation of M/WBEs should be considered a "best value" criterion in the procurement process. The following are recommendations or guidelines that can be used as an evaluation tool and adapted to your RFR. You can make your own RFR/Evaluation components or choose other components and scores that best suit the industry and types of contractors the PMT has targeted for the contract. Thoughtful discussions within the PMT and with the AMP Coordinators will provide the best components in the AMP Plan for the particular procurement.

OSD has developed a sample evaluation-grid for the AMP by component options, which includes definitions, information to request from bidders and other helpful information. Agencies should make their own evaluation-scoring sheet based on the AMP components selected for that particular RFR. Scores may be based on a poor, fair, good, very good or excellent rating, on a mathematical formula or other scoring methodology.

AMP Component Option	Definition	Bidder Submission Should Include:	Additional Information	Considerations for Evaluation
Subcontracting with SOMWBA certified businesses	An individual, business, or organization that is SOMWBA certified and has a contract or formal written agreement to provide services and/or commodities to a Commonwealth contractor.	 Names, addresses, phone numbers, fax numbers, email addresses, and contact persons of SOMWBA certified M/WBE firms proposed within the AMP Plan. A description of each business relationship to be established, e.g. how the proposed relationship(s) will result in increased business and revenue to SOMWBA certified sub-contractors. The actual dollar amounts (benchmark), to be spent with each SOMWBA certified MBE and/or WBE firm during the life of the contract. 	Using a sub-contracting approach in an AMP plan works best when there is an available pool of qualified W/MBE's. These may be newly incorporated or developing companies that might not be in a position to compete as a prime contractor but could be a valuable sub-contracting partner. Subcontractor participation should be based on the broadest and most inclusive available pool of M/WBEs. The services provided via the subcontract will be directly related to scope of the contract. Agencies should consider and plan for how sub-contracting information will be reported by the prime contractor throughout the contract duration. Agencies can identify potential subcontractors by using the SOMWBA certified business list at www.mass.gov/somwba or the OSD statewide contract certified vendor list at comm-PASS@state.ma.us .	PMTs or AMP Coordinators should rate the bidders response based on the commitments made in their AMP plan. If this component is the only one selected for inclusion in an AMP plan, it should receive the most weight. Additional weight should be given to the responses that are proposing the greatest dollar commitment to certified W/MBEs through subcontract agreements and to those responses that commit to at least one certified MBE and one certified WBE.
2. Growth and Development	A plan that addresses the education, training, mentoring, resource sharing, joint activities and general assistance that is provided to W/MBEs that results in increased capacity in a specific industry and increases the pool of qualified SOMWBA certified	Names, addresses, phone numbers, fax numbers, email addresses, and contact persons of M/WBE firms seeking SOMWBA certification proposed within the AMP Plan.	Using a growth and development approach in an AMP plan works best when there are little or no documented SOMWBA certified companies available to do business with the Commonwealth. This approach may be of particular value to the Commonwealth when an explicit	PMTs or AMP Coordinators should rate the bidder response based on the commitments made in their AMP plan. If this component is the only one selected for inclusion in an AMP plan, it should receive the most weight. If

AMP Component Option	Definition	Bidder Submission Should Include:	Additional Information	Considerations for Evaluation
	companies.	A description of each business relationship to be established, e.g. how the proposed relationship(s) will result in increased business and revenue to SOMWBA certified sub-contractors.	outcome of the procurement is to begin to develop certified SOMWBA capacity within a specific geographic area or within a specific service type. Agencies should consider and plan for how growth and development information will be reported by the prime contractor (bidder) throughout the contract duration. A good example of this type of approach would be a procurement that requires bidders to either: a) Show capacity development through measurable increases in the number of certified W/MBEs within a specified area or within an industry. b) Document steady and significant growth in the annual revenue of certified W/MBEs as a result of mentoring, subcontracting arrangements, joint ventures or other approaches. Agencies may elect to encourage bidders to include those expenditures with M/WBE's which may not have been certified during the past two years if these M/WBEs are currently undergoing the SOMWBA certification process. Bidders would be required to submit documentation of this process and any assistance they have provided their minority and women owned businesses in achieving certification status.	growth and development activities are one of several AMP options required in the AMP plan, the PMT should weight the criteria based on the desired result or best value. If the target is increased Commonwealth spending with certified W/MBEs immediately, then sub-contracting commitment should be weighted more heavily than growth and development. If, however, the goal is to develop and increase sustainable, long term relationships and growth, then growth and development initiatives should receive the heaviest weighting. Additional weight should also be given to the responses that are proposing the greatest dollar commitment to certified W/MBEs through growth and development activities and to those responses that commit to at least one certified MBE and one certified WBE.
3. Ancillary Service/Purchase Agreements with SOMWBA certified businesses	Any use of a SOMWBA certified M/WBE with or without a written agreement. Ancillary services are generally not directly related to the core services or commodity being delivered. As an example, a bidder providing counseling services who purchases office supplies or equipment maintenance from a SOMWBA certified company is an example of an ancillary agreement.	 Names, addresses, phone numbers, fax numbers, email addresses, and contact persons of SOMWBA certified M/WBE firms proposed within the AMP Plan. A description of each business relationship to be established, e.g. how the proposed relationship(s) will result in increased business and revenue to SOMWBA certified businesses. The actual dollar amounts 	Using an Ancillary Approach in an AMP Plan works best where there are limited opportunities to directly sub-contract a portion of the services or commodities required under the contract but there is a sufficient pool of SOMWBA certified businesses to provide services or commodities that support the general operation of the bidder. This approach may be combined with other AMP options and may be used when the primary contractor (bidder) is looking for creative initiatives for use of certified vendors. Agencies should consider and plan for how ancillary agreement information will be reported by the prime contractor (bidder) throughout the	PMTs or AMP Coordinators should rate the bidder's response based on the commitments made in their AMP plan. This item may help insure that the bidder's efforts are not focused primarily on one M/WBE and that maximum utilization is considered. A relatively small amount of the evaluation scoring may be appropriate here.

AMP Component Option	Definition	Bidder Submission Should Include:	Additional Information	Considerations for Evaluation
		(benchmark), to be spent with each SOMWBA certified MBE and/or WBE firm during the life of the contract.	contract duration. A good example of this approach is when a bidder wants to improve the local economy by building partnerships with certified vendors or a bidder wants to purchase goods and services from certified vendors in its local area that ultimately will increase Commonwealth vendor pools, capacity and community development.	
4Past Performance	A Bidder's expenditures with SOMWBA certified MBEs and/or WBEs within the past two years.	 Names, addresses, phone numbers and contact persons of SOMWBA vertified M/WBE firms with which the bidder has done business in the last 2 years. The actual dollar amounts spent with each MBE and/or WBE firm in the last 2 years (if applicable). 	Using past performance history may be an excellent indicator of a bidder's commitment to AMP objectives. PMTs or AMP Coordinators could rate the bidders based on past business with SOMWBA certified M/WBEs. This may help insure the bidders take the time to provide accurate M/WBE expenditures with their proposal. This in turn provides the basis for a realistic benchmark. Agencies may elect to encourage bidders to include those expenditures with M/WBE's which may not have been certified during the past two years if these M/WBEs are currently undergoing the SOMWBA certification process. Bidders would be required to submit documentation of this process and any assistance they have provided their minority and women owned business in achieving certification status.	A relatively small amount of the evaluation scoring may be appropriate here but there should be some positive weight given for past year commitments.
5. Other	In addition, agencies are encouraged to include further incentives for bidders to commit to at least one SOMWBA certified MBE and at least one SOMWBA certified WBE in each AMP plan submitted.	 A description of bidder capacity or use of these M/WBEs should be included in the AMP plan. A description of the type of business relationship to be established, e.g. how the proposed relationship(s) will result in increased business opportunities and revenue to SOMWBA certified or eligible contractors. 	Including this approach in an AMP Plan allows creativity in the inclusion of at least one minority-owned and one women-owned business in the submission of an AMP plan. This approach will also assist in ensuring equitable outreach by bidder to both types of certified businesses.	PMTs or AMP Coordinators should rate the bidder's response based on the commitments made in their AMP plan. This item may help insure that the bidder's efforts are not focused primarily on only one certified vendor and that consideration is given to all possible partnerships. A relatively small amount of the evaluation scoring may be appropriate here.

EXECUTIVE ORDER 390

AFFIRMATIVE MARKET PROGRAM IN PUBLIC CONTRACTING



THE COMMONWEALTH OF MASSACHUSETTS Executive Department State House Boston 02133

(617) 727-3600

ARGEO PAUL CELLUCCI GOVERNOR CHARLES D. BAKER

By His Excellency

WILLIAM F. WELD **GOVERNOR**

EXECUTIVE ORDER NO. 390

ESTABLISHING AN AFFIRMATIVE MARKET PROGRAM IN PUBLIC CONTRACTING

WHEREAS, The Commonwealth has an affirmative responsibility to develop and maintain equitable practices and policies in the public marketplace;

WHEREAS, a diverse business community strengthens the state economy and is beneficial to all of the citizens of the Commonwealth;

WHEREAS, in 1990, the Massachusetts Commission Against Discrimination conducted hearings and investigations which documented a history of discrimination against minorities and women in the Commonwealth, and in 1994, the Executive Office of Transportation and Construction produced a Disparity Study which documented a history of discrimination against minority and women owned businesses, in which the Commonwealth's agencies were participants;

WHEREAS, this discrimination against minorities and women currently affects the utilization of minority and women owned businesses in state contracting;

WHEREAS, the Commonwealth has a compelling interest in redressing the effects of past discrimination through the utilization of the available and qualified pool of minority and women owned businesses;

NOW, THEREFORE, I, WILLIAM F. WELD, Governor of the Commonwealth of Massachusetts, by virtue of the authority vested in me as Supreme Executive

Magistrate, and Lieutenant Governor ARGEO PAUL CELLUCCI, do hereby order as follows:

<u>Section 1</u>. **Declaration of Policy**. It is the policy of the Commonwealth to promote equality in the market and, to that end, to encourage full participation of minority and women owned businesses in all areas of state contracting, including contracts

for construction, design, goods and services.

Section 2. **Affirmative Market Plans**. The Commonwealth has a compelling interest in using racial and gender based classifications for the purposes of remedying past discrimination and promoting other, non-remedial objectives such as the delivery of effective human services in the areas of public health, safety and welfare.

Subject to the approval and direction of the Secretary of Administration and Finance, all executive offices, agencies, departments, boards and commissions of the Commonwealth (hereinafter referred to as "Agency" or "Agencies") are hereby directed to implement the narrowly tailored affirmative market program set forth in this Executive Order which shall include race and gender conscious goals where necessary to eliminate disparity between minority or women owned businesses (M/WBEs) and other business entities in the relevant market, defined as the Commonwealth of Massachusetts.

For purposes of this Executive Order, "minority" shall be defined as a permanent resident of the U.S. operating a business .within the Commonwealth who is black, Western Hemisphere Hispanic, Asian, American Indian, or Cape Verdean, and a "Minority Business Enterprise" (MBE) as a minority business certified by the-State Office of Minority and women Business Assistance (SOMWBA) or another state Agency. A "Woman Business Enterprise" (WBE) shall be a business certified as such by SOMWBA or another state Agency.

Goals for M/WBE participation in state funded contracts shall be based upon the broadest and most inclusive pool of available M/WBEs capable of performing the contracts and interested in doing business with the Commonwealth in the-areas of construction, design, goods and services. SOMWBA, or its successor, shall create and maintain a current directory of certified M/WBEs which will serve as one source of information in determining the pool of available M/WBEs. Goals shall be established by the Secretary of Administration and Finance, or his/her designee, and shall be expressed as overall annual program goals, applicable to the total dollar amount of an Agency's contracts awarded during the fiscal year for each of the Agency's types of contracts. The goals established in Section 1.2 of Executive Order 237 shall remain in effect until revised goals are developed pursuant to this Executive order, which shall occur promptly, but in no event later than January 1, 1997. Goals developed pursuant to this Executive Order shall be revised as necessary for the fiscal year beginning July 1, 1997 and at least every two years thereafter.

The Secretary of Administration and Finance, or his/her designee, shall develop a procedure by which Agencies may, for an individual contract, adjust the goals for M/WBE participation (whether the goals are established pursuant to Executive Order 237 or pursuant to this Executive Order) based upon actual availability, geographic location of the project, the contractual scope of work or other relevant factors.

The Secretary of Administration and Finance, or his/her designee, shall develop a good faith efforts waiver procedure by which Agencies may determine, at any time prior to the award of the contract, that compliance with the goals is not feasible and by which Agencies may reduce or waive the goals for an individual contract.

Recognizing the importance of joint ventures and partnerships involving M/WBEs in increasing the participation of M/WBEs in state contracting, the Secretary of Administration and Finance, or his/her designee, shall develop guidelines and procedures for Agencies to follow in contracting with such entities. Such guidelines and procedures shall seek to encourage the development of joint ventures and partnerships for the purpose of contracting with the Commonwealth.

In connection with the affirmative market program, SOMWBA shall regularly review and, where necessary, modify its certification process to ensure that it operates effectively, and shall report annually to the Secretary of Administration and Finance.

Section 3. Capacity Development. The Massachusetts Office of Business Development (MOBD), or its successor, is hereby designated the state Agency responsible for providing a capacity development program to M/WBEs and other interested businesses seeking to do business with the Commonwealth. The capacity development program shall include, but is not limited to, the following core areas of business development: strategic planning, financial management planning, human resource-management and planning, information technology access and management, and . marketing.

MOBD shall report annually to the Secretary of Administration and Finance on its progress in assisting M/WBEs and other businesses.

Contracting Agencies of the Commonwealth shall supplement the capacity development program provided by MOBD with industry specific assistance, training, education and procurement information.

Section 4. Program Oversight, Enforcement and Reporting Requirements. The Secretary of Administration and Finance shall be responsible for the overall management, monitoring and enforcement of the program established pursuant to this Executive Order. A Program Director shall be designated within the Executive Office of Administration and Finance to assist in program development, coordination and compliance. A Director of Enforcement shall be designated within the Executive Office of Administration and Finance with

responsibility for monitoring contract compliance across all Agencies, addressing potential program violations and coordinating Agency enforcement activities with SOMWBA and the Attorney General.

Each Secretary and Agency head shall designate a highly placed individual charged with management of this program. Each Secretary and Agency head may designate such other personnel as they deem necessary to support the implementation, monitoring and enforcement of this program and the coordination of those functions. Each Secretariat shall ensure that Agencies establish, subject to guidelines developed by the Secretary of Administration and Finance or his/her designee, special provisions that serve as governing standards for contract compliance. It is the intention of this Executive Order that the principles underlying the affirmative market program be incorporated into the fabric of general management in state government.

Each Secretariat shall report annually to the Secretary of Administration and Finance on the effectiveness of the program, including a report of the total dollar amounts awarded and actually paid to M/WBEs in all areas of state contracting. The Secretary of Administration and Finance shall report annually, within ten weeks of the issuance of the Annual Financial Report by the Office of the Comptroller, to the Minority and Women Business Enterprise Oversight Committee established by this Executive order and to the Governor.

Section 5. Minority and Women Business Enterprise Oversight Committee. The Secretary of Administration and Finance shall appoint a Minority and Women Business Enterprise Oversight Committee, not to exceed twenty members, which shall assist the Secretary in the implementation of this Executive order. Oversight Committee members shall serve for two year terms, except that in the initial appointments, one half shall be appointed to one year terms, and one half shall be appointed to two year terms. Members may serve a maximum of three (3) full two year terms.

Section 6. Independent Authorities and Public Institutions of Higher Learning. Independent authorities and public institutions of higher learning are encouraged to adopt M/WBE policies and programs consistent with this Executive Order.

Section 7. **Sunset Provision.** The Executive Office for Administration and Finance shall review the program described in this Executive Order at least every five years. The review shall determine: whether the objectives are being met; whether the conditions giving rise to the Order continue to exist; whether race and gender neutral measures are capable of addressing the effects of discrimination without the other measures specified in the order; and whether the program described in the Order should be modified or sunsetted.

Section 8. Effective Date. With the exception of the goal component of the affirmative market program, as set forth in Section 2 of this Executive order, all provisions of this Executive Order are effective immediately. The goal component of Order 237, as set forth in Section 1.2 of Executive Order 237, shall remain in effect until revised goals - are developed pursuant to Section 2 of this Executive Order, but in no event shall it remain in effect beyond January 1, 1997. All other provisions of Executive Order 237 are hereby immediately revoked.

Given at the Executive Chamber in Boston this 6 th day of August in the year one thousand nine hundred and ninety-six.
Argeo Paul Cellucci, Lieutenant Commonwealth of Massachusetts

William Francis Galvin Secretary of the Commonwealth